

## THE ROLE OF THE WHOLESALER

David Busse

Sales Manager, Book Department

A. C. McClurg & Co.

The past weeks have been full of campaign talk about the High Road and the Low Road. Although I am connected with one of the wholesalers, I expect to follow the High Road and stay away from competitive statements. However, you will have to forgive the illustrations which I draw from my own experience. Since we are taking the High Road, I believe you would like to know where we are going, and so I have divided our trip into four parts:

First - We will define the wholesaler.

Second - We will indicate the purposes, or functions, of the wholesaler.

Third - We will take up the problems of the wholesaler.

Fourth - We will point out the role of the wholesaler and indicate ways in which we, the librarian and the wholesaler, can cooperate to meet our common goals.

Before taking up these points we might ask why the role of the wholesaler in the library book market should be of interest to you at librarians. In 1930, the per cent of library book funds spent through wholesaler channels was only 28.6, local dealers 42.6, publishers 26.9 and the remainder 1.9. In 1953, as reported in the November 10th Booklist in an article "Survey of Practices," of 1,189 libraries spending an aggregate of \$6,000,000, 961 libraries, or approximately 80 per cent, reported purchases through wholesaler channels. In other words, during the 22 years, 1931 to 1953, the use of the wholesaler in the library book market had increased phenomenally.

We may start by asking--what is a wholesaler in the book trade? A wholesaler is a company which buys new books in large quantities from the publishers, enabling him to carry a representative stock of books on his shelves at all times, to sell to libraries, schools and retail dealers usually at a price lower than retail as set by the publisher.

Perhaps we can now see that there are agencies other than the retailer selling books which are not included in our definition. First, there is the binder who carries books in his stock, not in bindings as supplied by the publisher, but in a special binding, usually buckram. Then, there is a variety of companies or organizations who sell from a limited list of titles or represent a limited number of publishers. We do not include as wholesalers those dealers who specialize in out-of-print books, secondhand books, or imports.

To continue our definition, when we speak of books we are speaking of them in the classical sense. In other words, we are not talking about pamphlets, paperbound books, remainders, ephemeral materials, or magazines. We will be discussing the distribution of cloth bound or hard cover books.

Having defined the two most important terms in our subject, we can proceed to illustrate the purpose of the book wholesaler. After all is said and done, the purpose of the wholesaler is to provide the books of many publishers for a number of customers from one central source. Basically, it is a buying, warehousing and shipping operation.

We can show visually the purpose of the wholesaler by two charts. Look at the confusion which the first chart shows! If we assume that we have only five libraries and five publishers, each library has five sources which means five orders, five individual packages coming into the library, five bills to pay with five checks to make out and five envelopes to mail. Multiply these five publishers by at least 100 and you have some idea of the number of publishers with which a library would at some time have to deal. Reverse the process and think of the thousands of libraries and the chaos which would result from a publisher attempting to serve each one of these outlets.

The second chart shows these same five libraries dealing through a wholesaler. Here the librarian has only one order to prepare, one shipment to receive and one bill to pay. But even more important he has one source to hold responsible for his supply of books. The keynote here is simplification

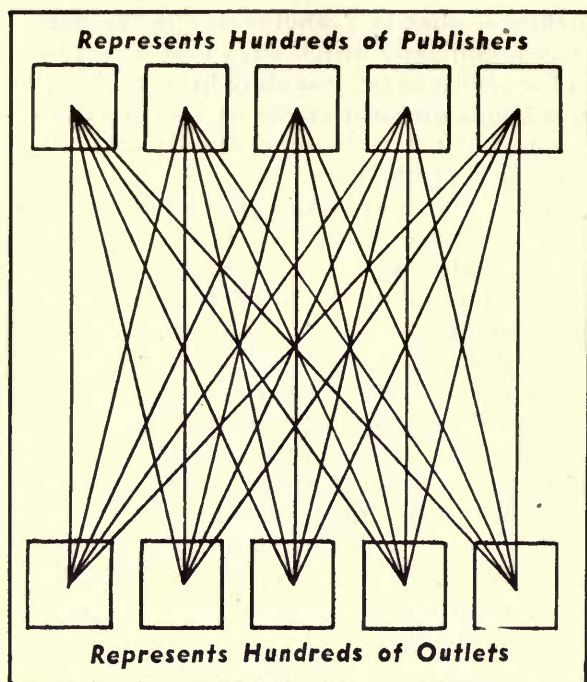
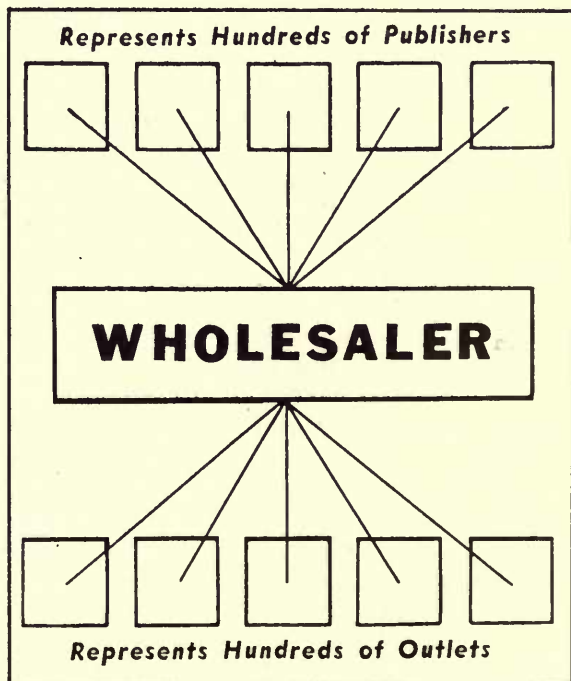


Chart I

Chart II



through consolidation!

Let us now look at the function of the wholesaler. In 1931, there appeared a book which for some time was the Bible of the book trade--The Economic Survey of the Book Industry, 1930-31 by O.H. Cheney. At that particular time, he defined the function of the wholesaler as "to make sure that books of various publishers appear at the right place and at the right time." Now this means:

- A. To have the goods available at some place convenient for meeting the "place function." In other words, to have individual wholesaler's stocks of books perhaps in as many as five or six locations throughout the country from which shipment might be made to the customer quickly and economically and so to meet this "place function." Actually the "place function" is concerned with the economies of large shipments from the publishers to a place near the market from which many small shipments can be made to the many individual libraries.
- B. To warehouse the goods in such a way as to be able to meet the "time function." Included in this function is the ability to carry an adequate inventory, maintain an efficient working staff and finally to extend credit for the necessary time. In other words, to serve the consumer when he wants the books.

The time and place functions are still most important. To carry out these functions, there are wholesalers located throughout the country who carry on their shelves the titles for which they expect a demand. In most instances, this involves a stock of more than 40,000 titles valued at more than a million dollars worth of books in each wholesaler's stockroom. But it means more than merely a stock of books. One of the reasons for the change in library buying over the past 25 years from the retailer to the wholesaler has been the increased purchasing power of the library. With this increase in orders, it soon became evident that procedure for handling orders in quantity was necessary. The titles, to be assembled quickly, had to be laid out not from a consumer sales

standpoint but according to either publisher, author, or title, whichever the wholesaler found most convenient. The purpose of arrangement was twofold: (1) positive location to fill orders, (2) easy replenishment of depleted stock.

Since 1931, these functions have continued to be the most important, but there have been added a host of others which we might call fringe functions. These functions have assumed a growing importance as a result of pressures from the people who buy books. One of the added functions which has been assumed by the wholesaler is to help librarians to become more aware of the new books as well as those already published which are available. To carry on this function, two types of activity have been added.

First, most wholesalers distribute some type of book selection helps or aids. These helps may be in the form of publishers' announcements, annotated lists, or catalogs of books carrying the endorsement of an authoritative librarian. Perhaps many of you wonder about this particular function. Drawing on my own experience, I might state that in a survey which we made five years ago in Illinois and Indiana, we found that aids supplied by the wholesalers were the only book selection materials available to approximately three out of five schools and libraries in the areas.

Second, more and more customers have asked to see books before buying. This is especially true with regard to juvenile and art books. These requests have led the wholesaler to participate in conventions and meetings, both on the state and national level. It might be added that the rental fees for space at such meetings form a real contribution to these associations. This fall, we ourselves will be showing books at more than 50 meetings of this kind. In addition, area displays for three or four communities have become popular. Such displays call for approximately 500 to 700 new titles. It is true that more libraries are given the opportunity of seeing more books through these displays than ever before.

During the past 25 years, the wholesaler has added what we might call service representatives. These representatives were first added to sell books. However, over a period of time, most of the travelers on the road for wholesale houses in the book trade have been asked to supply many other needs of the customer. First and foremost, even today, a wholesaler's salesmen must know books and be able to advise customers regarding their purchases. These representatives



are also concerned with problems which libraries have with regard to handling of their orders, billing and shipping. The salesman has become the contact between one library and another as well as between the library and the supplier. He also reports back to the wholesaler any changes in the buying habits or needs of his customers. Speaking again from my own experience, we have found that every new service which we have added to our operation has had its inception in a suggestion from a customer, many of these made to our salesmen.

Most of the wholesalers today sell books in publisher's binding and also books bound in buckram. This binding function has grown, because of the librarians' demand for more sturdy binding. Ordinarily, the wholesaler does not maintain his own bindery but has made some arrangement with a bindery to bind in a more substantial binding such books as are requested by the customer. In this connection, it might be well to point out the difference between the function of the bindery and that of the wholesaler who sells library bound books. The binderies bind quantities of a title which they have bought folded and gathered in sheet form. The binder actually catalogs and binds a particular list of titles which he anticipates will find a demand. The wholesaler, on the other hand, usually does not carry a stock of library bound books. However, he offers as a service to take from his stock the books in publisher's binding and have them bound in a library binding.

Book fairs have become a means of the local P. T. A., Friends of the Library, or other organizations, to raise money. The wholesaler has been asked to participate by supplying the books for such book fairs. Generally speaking, the wholesaler, because of his close tie-up with the retailer, would prefer not to participate in these functions. If there is a dealer in the community stocking and selling books, he should not have such interference. However, an even greater obstacle to such a program, from the wholesaler's standpoint, is the fact that if many libraries and schools held fairs at the same time a disproportionate amount of stock would be away from his shelves. Having the stock away would mean lessening the service which the wholesaler could render. Also, we must consider that books returned might not be in saleable condition. Another factor is that placing one copy of a title back on the shelf is almost as expensive in labor as

originally shelving 50 copies. Quite truthfully, book fairs should be carried on by either retail outlets or by regularly constituted book fair operators selling at retail or giving a small percentage to the organization putting on the fair to compensate for the time and labor which its members have expended.

Several other functions have been attempted by some of the wholesalers, including the supplying of plastic or other protective covers for the titles ordered by the customer. This service has not been used to a great extent to date because it involves a considerable amount of labor. Actually, the library or school can usually employ local labor much more reasonably than the wholesaler who is situated in a larger community.

Supplying catalog cards has also been suggested but again the labor cost is high and the library can obtain cards directly from H. W. Wilson Company by using a carbon copy of its order for books as an order for catalog cards, or from Library of Congress by using L. C. 's special order form.

You can see that these additional functions have expanded the wholesaler's operations. We may ask, therefore, what criteria the wholesaler should use for adding or eliminating functions. Only such functions should be added as can be done more reasonably by virtue of quantity production by the wholesaler than can be done by the individual library with its own staff or with additional help hired at reasonable rates.

A second, and perhaps more important, criterion is quite apart from mass production, business costs, etc. I speak of those functions which could be described as stemming from librarianship as a profession. No function which most properly belongs within the domain of the library profession should be given to or taken over by the wholesaler. Let us leave librarianship to librarians and bookselling to book-sellers.

And now let us consider the problems of the wholesaler. In dealing with these problems, I do not mean in any way to infer that they are insurmountable or unusual in any business organization. As has been so aptly said many times--"If there were no problems, there would be no business." We can divide the problems of the wholesaler into two categories: (1) the internal operating problems of wholesaling, (2) the problems which he has regarding his supply of the product--BOOKS.

Naturally, the biggest problem of the wholesaler is concerned with inventory. He must carry an inventory large enough to serve his customers and yet stay within the bounds of good business practice regarding his investment, both in stock and also in accounts receivable. Cost of space as well as financial ability are factors determining how adequate a stock can be carried.

The new Books in Print has just been issued. The wholesaler is expected to supply all of the more than 100,000 items listed as well as those items listed in Textbooks in Print and other items not listed except in Cumulative Book Index. No other wholesaling function is so complex. Usually in other lines of wholesaling, a set number of items are purchased and cataloged, and the wholesaler limits his services to these particular items. In the book business, the wholesaler must be willing to accept orders for the new items not yet available as well as those which have been in print for many years.

The book business is also unique in that a title may become an unexpected best seller overnight because of a good review or the story's appearing as a movie, or because of other events breaking at a fortuitous moment.

The opposite reaction to a title is just as possible. The librarians, retailers and wholesalers may expect a good demand only to find that by publication date the particular interest has passed by. A book is different from any other piece of merchandise. It is usually worth full price or else it is worth close to nothing. For a publisher or wholesaler to have to mark a book down to as low as 20¢ or 25¢ to remainder it certainly is expensive, and illustrates why there is a good deal of caution in the book business.

Another of the wholesaler's problems with regard to inventory involves means of transmitting information concerning titles carried in stock. There is nothing that would please the wholesaler more than to inform the customer of exactly what he carries in stock--I mean a complete catalog. Let us investigate that possibility. Almost daily changes in price and availability of stock would make such a list obsolete almost as soon as the ink dries. The list would be authoritative then in name only. The task of revising and keeping each customer informed of changes would be financially prohibitive. In other words, such a catalog is theoretically sound but highly impractical, since it could never serve as a final authority.



Added to these considerations is the fact that a catalog of this nature would, in effect, be an ultimatum to librarians: These books and only these books are the ones you can purchase from us. There are certainly books we cannot supply. There are no books we will not try to supply.

In conclusion, with regard to this inventory problem, may I pay tribute to the buyers in the book wholesaling operation. They are perhaps the most vital cog in good service, and only experience can develop the fine balance between offering the best service with an adequate stock and still ending the year with a minimum of dead stock. You, as librarians, must be interested in this depreciation factor since ultimately any errors in buying result in higher cost to the library.

This leads us to the second major problem of the wholesaler, which concerns the supply of books to the wholesaler. After all, we are middlemen who can supply only the items which are supplied to us. If an item is out of stock or is not ordinarily carried, the customer is in reality dependent for service on the speed with which we, the wholesaler, can procure the item from the publisher.

I should like to take a moment to say that the publisher has many of the same problems regarding inventory and labor that we have. In addition, he is dependent on the paper supplier, the printer, and the binder. At this particular time, the binderies are taxed to capacity and a publisher might be faced with delays of five to eight weeks or more. Many items scheduled for publication this fall have been delayed until spring. The same is true of items scheduled for reprinting. Delays because of the publisher's being out of stock as well as postponements of many titles add to the wholesaler's problems.

Another point with regard to reprinting which should be borne in mind is that many items which you and your wholesaler would like to see reprinted at once are delayed because the publisher cannot reprint in small quantities. He must have some idea that the book in question will have a demand large enough to warrant an economical printing. Because of increased costs, publishers tell me that reprinting in quantities of less than 2,000 copies is not feasible. The publisher will report such an item out of stock indefinitely until such time as he is satisfied, because of the number of orders received, that he can meet the minimum quantity for reprinting.

I would like here to inject one very important point--all of the wholesalers are making a definite effort to inform customers correctly concerning the availability of books ordered. To report a book POS (publisher out of stock) or OP (out of print) which is in reality available means only that the supplier has lost a sale after having incurred identical costs which would have been involved had the book been supplied.

Let me deviate and explain how an order from a customer is handled through a wholesaler's plant. The order is received, entered and sent to stock. The items available are picked, priced, packed and shipped. The items not available are requisitioned. A separate requisition is written for each item indicating quantity, author, title, price, publisher, and the back order location where all open items on that order will be assembled. The requisitions go to the buyer, who separates the ones for books which he has on order from those for books not on order. The requisition for each book on order is put with the order for that book, which has already gone to the publisher. The others are ordered special. When the bill from the publisher is received, the requisitions for the books are tabulated on the bill, and requisitions and bill go to the receiving room. The requisition is placed in the correct book, and the book and requisition find their way to the customer's order.

Now suppose that instead of a book, a report OP or POS is received. Then such a report is noted on the requisition and the requisition finds its way to the order and is reported to customer. Note that the same amount of costs are incurred to obtain a report as to obtain the book, but there is nothing to compensate for this work.

To sum up briefly, it might be stated that the ultimate purpose of the wholesaler is to help make it possible for the library to present its patron with the right book at the right time and in the right place.

Much constructive thinking is needed to clarify the means by which the wholesaler can be of more value to the librarian. The librarian can help the wholesaler fill the librarian's demands more efficiently by a knowledge of the wholesaler's routine, which I have tried to indicate in some measure to you today. Here are a few other ways for you to enable the wholesaler to make his role in the book business more valuable to you.

Communication provides our greatest problem. If the wholesaler were to know what the customer is thinking as he writes his order and if the customer were to be more fully aware of what the wholesaler can do, I am certain that the customer would be served more efficiently and these problems would be solved.

One of the most serious problems concerns books which are wanted by a particular library on a particular day, or perhaps for a particular person--usually a VIP--the mayor or a board member. If, on the order for such items, a specific date or a specific need were indicated, steps would be taken to remove the order from regular routine and to supply the item in the least amount of time. This would add to the wholesaler's cost of obtaining the particular book but would eliminate unnecessary follow-ups and correspondence.

The wholesaler carries the titles which are most in demand. These titles he will always have on his shelves or on order with the publisher. I am certain that all of you who deal with a wholesaler can, from your experience, tell which items are stock titles and which are supplied on special order. I would greatly recommend your visiting your wholesaler's warehouse to know more fully what to expect in service from his stock. If you are aware that an item is not likely to be on the wholesaler's shelves, allow added time for him to obtain the book for you.

A customer came into our office and reported she was not getting her shipments quickly enough. In checking the library's Kardex, I found that the instructions given called for holding books and shipping in 100-lb. lots. She asked who gave the instructions, and when we looked up the correspondence we found the library had had three librarians since the instructions were given. A change was made in the instructions and the librarian is happy again. Be sure the standing instructions to your supplier are reviewed and corrected periodically to meet your needs.

Recently, I had correspondence with a librarian who needed information about a book long overdue. She did not receive an answer to a previous letter and wrote to me. I checked and found that the letter with regard to the overdue book was affixed to a carton of returned books which had been shipped by freight and had just arrived. The best service can be given if orders, payments, information about books being returned, or requests for information be written on separate

sheets of paper which can be separated and sent immediately to the correct department.

Of course, your orders will receive more prompt handling if care is taken with regard to such details as the author, the title, the publisher and the date of publication. Along this line, we should mention that when indicating the name of the author, you use his "pen name" rather than his given name. The publisher will use the author's "pen name" on the book. The book will be placed in stock under such a name. You can realize the confusion and delay when your order is received with the author given as "Geisel" and the book is stocked under "Dr. Seuss," or with the author on the order as "Mrs. Gilbert Highet" and the book stocked under "Helen MacInnes."

Here is more information vital to both wholesaler and customer. Books are being continually reported "publisher out of stock" or "publisher out of stock indefinitely." If you would inform your wholesaler so he could set up standing instructions as to whether you wished him to carry these orders for five months or a year pending delivery, many misunderstandings could be eliminated. Along this line, we have experimented during the past several years. I had felt that when a book was postponed after it had been announced, most libraries would appreciate the item being reported and cancelled. The storm of protest received after we attempted such a program was tremendous and led us back to reporting the item but holding the order for the library. The holding of such orders is expensive for the wholesaler. However, we do realize the cost to the library in placing orders for the same book on several occasions and believe it a service to hold such orders on file.

From time to time, new situations develop in a library. Perhaps your budget for books has been raised or perhaps you have changed your routines. When such changes come about, write to your wholesaler. Let him know of the changes. Perhaps he can help you with regard to your new routines which will allow him to serve you better.

In conclusion, we may again point out that the wholesaler's purposes and problems are in great measure the same as the purposes and problems of the librarian. You have your problems of supply, routines and staff. We have similar problems.

Looking forward to the next few years, we can anticipate, both because of monies to be spent under the Library Services



Bill and because of continuing increase in educational facilities, a greater market for books. The book distribution system will be strained. However, you can expect that the future role of the wholesaler in the library market will change only as you and your organization in turn reflect changed demands of the ultimate consumer--your patrons.

Bear in mind that the wholesaler and the library have a unique relationship in the business world nurtured by the very nature of the product in which they deal. In all things they are permeated by a common interest and unity of purpose.